

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 4 — 0 0 8

2. STATE:

Pennsylvania

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

Title XIX Medicaid

4. PROPOSED EFFECTIVE DATE

October 1, 2004

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ 859,667

b. FFY 2005 \$ 1,704,607

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 8A to Attachment 2.6-A, Page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement 8A to Attachment 2.6-A, Page 1

10. SUBJECT OF AMENDMENT:

Aligning AFDC-related self employment deductions

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

Secretary of Public Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Estelle B. Richman

13. TYPED NAME:

Estelle B. Richman

14. TITLE:

Secretary of Public Welfare

15. DATE SUBMITTED:

DEC 30 2004

16. RETURN TO:

Commonwealth of Pennsylvania
Department of Public Welfare
P.O. Box 2675
Harrisburg, PA 17105**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

3-14-05

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

Oct 1, 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

Susan Cherdon

21. TYPED NAME:

SUSAN CHERDON

22. TITLE:

ARA-DMCH

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Pennsylvania

MORE LIBERAL METHODS OF TREATING INCOME
UNDER SECTION 1902(r)(2) OF THE ACT*

☐ Section 1902(f) State

☒ Non-Section 1902(f) State

(A) AFDC-related

- (1) Lump Sum – For AFDC-related categorically needy nonmoney payment and medically needy only applicants and recipients, the receipt of a lump sum, which is normally treated as a resource, will be treated as income in accordance with the AFDC State Plan when it would be more beneficial to the applicant and recipient to treat the lump sum as income rather than a resource.
- (2) Work Expense Deduction –
 - A. AFDC-related categorically needy nonmoney payment applicants or recipients with earned income are entitled to work expense deduction of \$120.
 - B. AFDC-related medically needy only applicants or recipients with earned income are entitled to work expense deduction of actual and verified monthly work expenses or \$120, whichever is greater.
- (3) Self-Employment Deduction – AFDC-related categorically needy nonmoney payment and medically needy only applicants and recipients with self-employment income are given a deduction for depreciation, personal business and entertainment expenses, personal transportation, purchase of capital equipment, and payments on the principal of loans for capital assets or durable goods.
- (4) Deduction of Recurring Medical Expenses – AFDC-related medically needy only applicants and recipients are permitted to project verified recurring and predictable medical expenses for the 6-month eligibility period.

* More liberal methods may not result in exceeding gross income limitations under section 1903(f).

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